SERVICES NATURAL BRESURCES

MONTANA PSC INFORMATIONAL TESTIMONY REGARDING HB 681

Extend Renewable Portfolio Act to municipal utilities & competitive electricity suppliers

Mike Lee Chief, PSC Economics & Rate Design Bureau March 16, 2007 Senate Natural Resources and Energy (Contact: Greg Jergeson, 406-444-6166)

Mr. Chairman and Members of the Committee,

The Public Service Commission has no position on HB 681, but offers these few observations on the bill:

- 1. On page 5, Section 3, subsection (2), the PSC observes that, because competitive electricity suppliers are not regulated by the Commission, it could be difficult to develop an effective and meaningful process for PSC evaluation of the electricity suppliers' demonstrations required by this provision with respect to contracts of less than 10 years providing a lower long-term total cost.
- 2. The PSC notes for the committee's information that the commission rules referred to on page 6, line 13, were adopted with regulated utilities in mind. The extension of their application to competitive electricity suppliers would likely require some modification of the rules.
- 3. There are no provisions in HB 681 to enforce competitive electricity suppliers' compliance with the law.

Thank you for the opportunity to comment.